

August 10, 1975

Lowe Ashton President
Heber Creeper
Box 69
Heber City, Utah 84052

RE: Reprot of committee meeting with Railroad Museum regarding
lease between Heber Creeper and Museum

Dear Lowe:

The meeting was held at the residence of Delbert Wallengren, 1906 Severn Drive, Salt Lake City on July 8, 1975 at 8 PM. The meeting was authorized by the Board of Directors. The following people were in attendance: representing the Heber Creeper were D. Wallengren and Wes Budd and representing the Museum were Rod Edwards, Chick Nielsen, Gordon Wheeler, and Ron Reiman. The meeting was chaired by D. Wallengren.

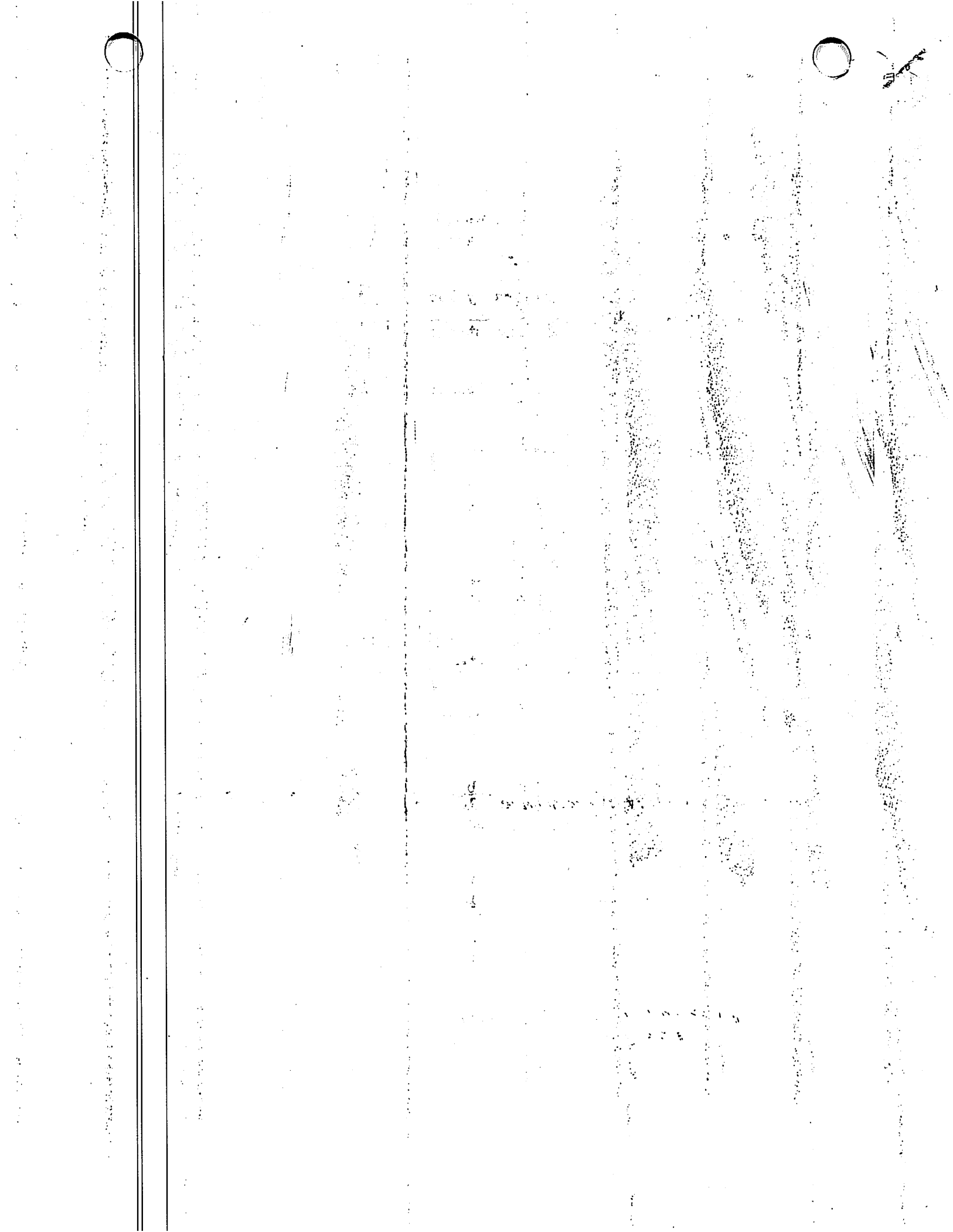
The chairman emphasised this was not a session to renegotiate the lease. It was a meeting to discuss in some depth the greivances of the Maseum. Our authority as a spokesman for the Creeper ended with simply a report of the meeting to the full Board of Directors.

The initial purpose for the lease was discussed; that being the Creepers need for equipment and the Museum's need for a home for the same equipment. Both parties were in agreement at the time of signing the lease.

Each item in the lease was covered. the item number is the same as the number as it appears in the lease. Those comments were as follows:

1. Term *Not acceptable*
Museum wants 5 years primary term with no options.
2. Rental
Minimum per year \$6500
3. Rental
Maximum \$15,000 or 10% of the net profit of the Heber Creeper. (The rental amount to be used in the procure-ment of more rolling stock)

Present Lease does not give us a place up here.
IRS



4. Expenses against the rental amount
None are acceptable
5. Maintenance
This item is not valid because museum claims the Creeper is charging all minor maintenance now. All maintenance is to be train's responsibility.
6. Equipment lease repairs by lessors option
O.K. as is
7. Maintenance of tax free status by lessor
O.K. as is
8. First option to jobs by lessor
O.K. as is
9. One member of lessor company on Creeper Board of Directors
O.K. as is
- SW*
#1 { 10. Original opening operation lease term and proof of ownership by the lessor.
No longer valid
11. Lessors failure to keep lease covenants give lessee opportunity to purchase equipment on schedule A.
Would be stricken.
12. Lessor places no liens against equipment
Would be stricken.

The members of the museum indicated that at the time the original lease was made a promise was made to write a new lease within a few years.

No conclusions were reached, but it was suggested by the chair that an attempt by the Museum should be made to analyze what volume, etc. would be necessary under the present lease to produce a positive rental for them.

Throuhgout the evening the thread of thought which prevailed was that the Museum did not anticipate a long unprofitable railroad operation nor the expense involved with equipment renovation. They also gave the impression that they were either ill-advised or lacked any advise which they are very willing to rectify at the expense of the Creeper.

This report concludes the activity authorized by this committee and it ceases to function with the acceptance of the report by the Board.

Sincerely yours

D.E. Wallengren
D.E. Wallengren-Chairman

